App. F. IX-4

1927-30

File No. 127-29

Previous References

([illegible])

Serial Nos. 1-2

C. 1

Later References

C. 1 127-29 (3.4)

C. 1 127-29 (5-20, 23)

C. 1 10-30 (1-3.5.7)

" 10-30 (4.6.12)

" 22-32 (1-2)

P.7(E)

General and Revenue Secretariat.

Serial Nos. 1-50

Part B for May 30

SUBJECT

Amendment to rule 18 of Cooperative rules

No. 12767 G. 165-30

To

Retd. C. 1

Accepts the resolution of the 16th Mysore Provincial Cooperative Conference re. Dividends and loans to members of Bank to fix ₹.

7093

I

App. F. III—2]

General and Revenue Secretariat | G File No. 127 of 1929

Serial No.	
1	N° 5134 Co 9 19.3.30 from the Regr Co forwards copy of the Resolution of the Cooperative Conference held in October 29 relating to the "Restricting the rate of dividends on Shares" and states that the principle embodying the Resolution is highly Cooperative & that the amendment to Rule 18 of the Cooperative rules suggested may be sanctd.
	Subs The Rules as it stands at present runs as follows:—
	A member of a cooperative Society shall not receive in dividend & bonus for one year a sum exceeding 10% on the share Capital actually paid up without the Sanction of the Regr, nor shall penal interest be appropriated towards ~~dividends~~ profits except with the express approval of the Regr.
	2 The only amendment proposed is to read 7½% for 10% in the above rules.
	Sd 9/4
	3 The amendment may be accepted
	3rd. Mar 1930 Regr
	4 No remarks. 28.4.30
	5 This Govt have been advised that the Rules—
	6 Govt are of opinion that the proposed dividend

13633 28/4

JE3963

18/4/30

10348 24/4

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

80:3

App. F. III—2]

General and Revenue Secretariat | C.S File No. 127 of 1929

Serial No.

1 | as there declared dividends in the part are there may cases of dividends as Exemption which are the rights why the applied of the proposed amendment & Rules Extent?

by 25/4/30

7 maybe off? new 29/4

8 This question was discussed at the monthly meeting yesterday. It was decided that the amendment to Rule proposed by the Rajasthan Registrar; following the recommendation of the Provincial Conference, might be accepted.

Thos Moules)

new 30/4 Ce 30/4

9 Ce 1/5/30

new 1/5 Ce 1/5

10 Submitted with draft Ord 2/5

2 B. 12767/ dated 16/5/30. Issued Ce 12/5/30

To The Registrar C.S.

Accepts the Resolution of the 16th Mysore Provl. Conference re: Dividends & Bonus to members of Coop. Societies.

Coop

b

Note—Contd. Sheet

F. & S. 127-29-1

No. 5134 [illegible]

DEPARTMENT OF CO-OPERATION.
GOVERNMENT OF MYSORE.

Telegraphic Address:
"CO-OPERT"
BANGALORE

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Dated, Bangalore, 18th March 1930.

FROM

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,
BANGALORE.

To

N. Rama Rao, Esq., B.A. B.L.,
Secretary to Government, Development Departments,
Bangalore.

Sir,

I have the honour to forward herewith a copy of resolution on the marginally noted subject passed at the 16th Mysore Provincial Co-operative Conference held in October 1929 in the matter of restricting the rate of dividend on shares in co-operative societies, and to state as follows:-

Restricting the rate of dividend on shares.

2. According to Rule No.18 of the Rules under the Mysore Co-operative Societies Regulation No.VII of 1918, a member of a co-operative society shall not receive in dividend and bonus for one year a sum exceeding ten per cent per annum on the share capital actually paid up by him without the sanction of the Registrar. The resolution is to the effect that the rate of dividend and bonus should be limited to a maximum of 7½ per cent per annum. In a Co-operative Society, the interests of the borrower and the lender are identical and there is not any clash of interests between the investor on the one hand and the borrower on the other. Profits are contributed by borrowers only. A reasonable rate of dividend on share capital is therefore essential. Fixing of a high rate of dividend on share capital has always the tendency of fixing a high rate of interest on loans. The Co-operative principle is that profits should go to the members who contribute thereto. I am

therefore

Sixteenth Mysore Provincial Co-operative Conference.

RESTRICTING THE RATE OF DIVIDEND ON SHARES.

RESOLVED that the dividends on shares in all Co-operative Institutions be limited to a maximum of 7½ per cent per annum and that the surplus profits be utilised for giving rebates on the interest paid on loans where such payments are regular and on purchases of goods.

- - - - - - - -

"Copy"

Bangalore
18th March 1930.

K H Ramayya
Registrar.

therefore of opinion that the principle embodying the resolution is highly co-operative and that it may therefore be accepted by Government and the amendment to Rule 18 sent herewith duly approved.

Rule 18 of the co-operative Rules as it stands after amendment.

A member of a Co-operative Society shall not receive in dividend and bonus for one year a sum exceeding 7½ per cent on the share capital actually paid up by him without the sanction of the Registrar, nor shall penal interest be appropriated towards profits except with the express approval of the Registrar.

In a society with unlimited liability all the net profits shall be credited to the reserve fund of the society and no dividend or bonus shall be paid except with the general or special sanction of the Registrar.

I have the honor to be,
Sir,
Your most obedient servant,

K H Ramayya
Registrar.

18.3.30

G.R.S. App. F VI G-2]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 192 .

Date of issue 16/5/30

Signed by Sd/- C. S. Nirmala

[here copy of Resolution Flag D has to be typed]

May this be

i Printed?

ii treated as a standing order ?

iii published in the Gazette, English Part ?

iv translated ?

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

Sec Co

File No. 127-29

Serial No. 2

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read – Letter No S 134 Co & L 29-3-30 from the Registrar Co-operative Societies submitting a copy of a Resolution as noted in the margin of the Sixteenth Mysore Provincial Co-operative Conference and recommending that the principle embodying the Resolution is highly Co-operative, and that it may be accepted, and Rule 18 of the Co-operative Rules Order Thereon No. being suitably amended.

Order No. D 12767 &"

Government are pleased to accept the Resolution as noted in the letter read above and to direct that Rule 18 of the Co-operative Societies Rules under the Co-operative Societies Regulation be amended as hereunder:—

[Portion marked in Flag E to be typed here]

To Registrar Co-operative Societies

Sec Co 12/5/30

For Ch. Secy.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read :—

Letter No.5134/Cs. dated 19th March 1930 from the Registrar of Co-operative Societies submitting a copy of a Resolution as noted in the margin of the Sixteenth Mysore Provincial Co-operative Conference and recommending that as the principle embodying the Resolution is highly co-operative, it may be accepted and the Rule 18 of the Co-operative Rules suitably amended.

" Resolved that the dividends on shares in Co-operative Institutions be limited to a maximum of 7½ per cent per annum and that the surplus profits be utilised for giving rebates on the interest paid on loans where such payments are regular and on purchases of goods.

Order No.D. 12767/Cs.127-29-2

Dated, Bangalore, 16th May 1930.

Government are pleased to accept the Resolution referred to in the letter read above. Rule 18 of the Rules under the Co-operative Societies Regulation will be amended as hereunder : -

" A member of a Co-operative Society shall not receive in dividend and bonus for one year a sum exceeding 7½ per cent on the share capital actually paid up by him without the sanction of the Registrar, nor shall penal interest be appropriated towards profits except with the express approval of the Registrar.

In a Society with unlimited liability all the net profits shall be credited to the reserve fund of the Society and no dividend or bonus shall be paid except with the general or special sanction of the Registrar"

15/5

for Chief Secretary to Government.

To

The Registrar of Co-operative Societies in Mysore.

ACH.8. 15/5.